

Statement of Senator Tim Johnson
Senate Committee on Banking, Housing and Urban Affairs
Regulatory Modernization: Perspectives on Insurance
July 28, 2009

Mr. Chairman, I am pleased you are holding an insurance hearing today. As this Committee considers financial regulatory restructuring proposals, I have said many times that insurance regulation must be a component of reform. I appreciate your recognition of that with this hearing.

During the last two Congresses I introduced legislation to modernize the current system of insurance regulation. I remain concerned that the state-by state regulatory system is outdated, inefficient, and bad for consumers. I am also deeply troubled that there remains no federal agency to collect data on insurance companies, products and risks, to provide a voice on national insurance issues, and to represent our country on international insurance issues. Insurance plays a key part in a functioning economy and it should have appropriate regulation.

Late last week, the Treasury sent up their legislative proposal to create an Office of National Insurance within the Department of Treasury. I think this is a step in the right direction. I look forward to hearing the witnesses' views on this proposal and other proposals to modernize the regulation of insurance.